



ALASKA PERMANENT FUND FUND FINANCIAL HISTORY & PROJECTIONS

as of August 31, 2017

Projections extend ten years, and are based on best available information (\$ in millions)

Nonspendable Fund Balance - Principal										Assigned Fund Balance										TOTAL FUND	
FY	FY-Begin Contrib. Balance	Appro. (1)	Dedicated (2)		FY-End Balance Contributions	Unrealized Gain (Loss)		FY-End Nonspendable Balance	Acct. Net Income (3)	Statutory Net Income (3)	Distributions of Statutory Net Income			FY-End Balance Realized	Unrealized Gain (Loss)		Net Assigned Change	FY-End Assigned Balance	FY	FY-End Balance	
			State Revenues	Inflation Proofing		Net Change	FY-End Balance				Dividends	Inf-Proofing / Other (10)	Gen. Fund / Other (4)		Net Change	FY-End Balance (5)					
77-08	0	7,039	10,537	11,573	29,149	2,312	2,064	31,213	37,724	37,556	16,652	15,314	421	4,969	352	352	5,942	5,321	77-08	36,534	
09	29,149	0	651	1,144	30,945	(3,513)	(1,449)	29,496	(6,394)	(2,509) (8)	875	1,144	0 (8)	441	(373)	(21)	(4,901)	420	09	29,917	
10	30,944	0	679	0 (9)	31,624	1,869	421	32,045	3,517	1,590 (8)	858	0 (9)	0 (8)	1,194	37	16	790	1,210	10	33,255	
11	31,624	0	887	533	33,044	4,367	4,788	37,832	6,812	2,143 (8)	801	533	13 (8)	2,016	276	292	1,098	2,308	11	40,140	
12	33,044	0	915	1,073	35,033	(1,568)	3,220	38,253	(100)	1,568	605	1,073	17	1,905	(117)	175	(227)	2,081	12	40,333	
13	35,033	0	840	743	36,615	964	4,184	40,800	4,314	2,928	604	743	30	3,487	392	567	1,973	4,054	13	44,853	
14	36,615	0	779	546	37,941	2,878	7,062	45,002	6,848	3,531	1,235	546	32	5,237	408	975	2,158	6,211	14	51,214	
15	37,941	0	600	624	39,165	(589)	6,473	45,638	2,384	2,907	1,373	624	24	6,147	41	1,016	951	7,162	15	52,800	
16	39,165	0	284	0	39,449	(1,723)	4,750	44,199	398 (6)	2,198	696 (11)	0 (12)	18	7,649	(95)	921	1,408	8,570	16	52,769	
17	39,449	0	365	0	39,814	2,405	7,155	46,969	6,676	3,214	0	0 (12)	25	10,864	1,031	1,952	4,246	12,816	17	59,785	
Lo	39,814	0	321	903	41,038	(4,842)	2,313	43,351	(4,220)	1,969	1,451	903	15	10,479	(1,362)	591	(1,747)	11,069	18	54,420	
Mid	39,814	0	321	903	41,038	553	7,709	48,746	3,896	3,112	1,571	903	23	11,502	208	2,160	846	13,662	18	62,409	
Hi	39,814	0	321	903	41,038	6,197	13,352	54,390	13,224	4,731	1,741	903	35	12,951	2,261	4,214	4,348	17,164	18	71,554	
19	41,038	0	341	931	42,310	219	7,928	50,238	4,226	3,755	1,595	931	26	12,731	225	2,385	1,454	15,116	19	65,354	
20	42,310	0	350	960	43,620	231	8,159	51,779	4,428	3,936	1,703	960	26	14,004	234	2,619	1,507	16,623	20	68,402	
21	43,620	0	363	990	44,972	256	8,415	53,387	4,636	4,123	1,905	990	26	15,232	231	2,850	1,459	18,082	21	71,470	
22	44,972	0	366	1,020	46,358	268	8,683	55,042	4,846	4,311	2,020	1,020	26	16,502	241	3,091	1,511	19,594	22	74,635	
23	46,358	0	369	1,051	47,779	284	8,967	56,745	5,062	4,505	2,166	1,051	26	17,790	248	3,339	1,535	21,128	23	77,874	
24	47,779	0	370	1,083	49,232	293	9,259	58,492	5,284	4,703	2,266	1,083	26	19,143	262	3,600	1,615	22,744	24	81,235	
25	49,232	0	379	1,116	50,728	302	9,561	60,289	5,513	4,909	2,368	1,116	26	20,568	276	3,877	1,701	24,444	25	84,733	
26	50,728	0	380	1,150	52,257	311	9,872	62,129	5,752	5,123	2,473	1,150	26	22,068	292	4,169	1,792	26,237	26	88,366	
27	52,257	0	384	1,184	53,825	320	10,192	64,017	6,001	5,346	2,581	1,184	26	23,648	309	4,478	1,889	28,126	27	92,143	
Cumulative Totals																					
Proj. for 2018-2027		0	3,623	10,389		3,037			49,645	43,821	20,648	10,389	261		2,525		15,310				

Assumptions:	Total Return - Inflation = Total Real Return	Statutory Return			
Lo FY 2018	-6.84%	2.25%	-9.09%	Lo	3.51%
Mid FY 2018 (6)	6.70%	2.25%	4.45%	Mid	5.43%
Hi FY 2018	22.26%	2.25%	20.01%	Hi	8.15%
FY 2019-2027 (7)	6.95%	2.25%	4.70%		6.24%

Notes related to financial history and projections FY1977 - FY2027:

- Appropriations include special general fund, realized earnings, and other miscellaneous appropriation transfers into principal.
- Dedicated State Revenues in current and future fiscal years are based on the Spring 2017 Department of Revenue forecast.
- Accounting net income is based on United States Generally Accepted Accounting Principles (GAAP). Statutory net income is accounting net income, excluding any unrealized gains and losses on investments, and excluding earnings of the Alaska Capital Income Fund (AM Hess, et al principal).
- FY05 and forward, Amerada Hess, et al. annual net positive settlement earnings are transferred to Alaska Capital Income Fund (ACIF) per AS 37.13.145(d).
- Beginning in FY08, based on legal opinion, unrealized gains and losses were allocated between the nonspendable fund balance (principal) and the assigned fund balance (earnings reserve). Prior to FY08, all unrealized gains and losses were included with principal.
- Current year returns and inflation are based on 2016 Callan capital market assumptions.
- Future returns are based on 2016 Callan capital market assumptions and median expected returns (the mid case). Actual results will vary.
- During FY 2009, the ACIF realized losses of \$33.3 million, which are excluded from statutory net income, and are included in the ending unreserved balance as a deficit account. During FY 2010 and FY 2011, the ACIF had realized income of \$20.8 and \$25.3 million, which is excluded from statutory net income, and served to reduce the FY 2009 deficit.
- The statutory inflation calculation for FY 2010 was -.36%; therefore, there was no inflation proofing transfer during FY 2010.
- FY77-08 includes special appropriations to principal of \$3.7 billion.
- The dividend transfer reported for FY16 was paid out in dividends during FY17.
- There was no appropriation for inflation proofing for FY16 and FY17.

Income year-to-date as of August 31, 2017

FY17 Statutory net income	
Interest, dividends, real estate & other income	\$ 200.7
Realized gains (losses) on the sale of invested assets	473.8
Less operating exp / Legis. Appropriations	(26.2)
Less AK Capital Inc. Fund committed realized earnings	(4.5)
Statutory net income (loss)	\$ 643.8

FY17 Accounting (GAAP) net income	
Statutory net income (loss)	\$ 643.8
Unrealized gains (losses) on invested assets	1,004.2
AK Capital Income Fund committed realized earnings	4.5
Accounting (GAAP) net income (loss)	\$ 1,652.5

PERFORMANCE SUMMARY

(preliminary as of August 31, 2017)	Current Month	Last 3 Months	Fiscal Y-T-D	Calendar Y-T-D	Last 12 Months	Last 3 Years	Last 5 Years
PUBLIC EQUITIES	0.42%	4.20%	3.43%	15.82%			
FIXED INCOME PLUS	0.68%	1.68%	1.61%	5.35%			
PRIVATE EQUITY AND GROWTH OPPORTUNITIES	N/A	N/A	N/A	13.78%			
REAL ESTATE	N/A	N/A	N/A	1.05%	2.19%	8.38%	9.55%
INFRASTRUCTURE/PRIVATE CREDIT/INCOME OPPS	N/A	N/A	N/A	6.84%			
ABSOLUTE RETURN	N/A	0.01%	N/A	3.78%	6.53%	1.98%	3.50%
ASSET ALLOCATION	N/A	1.09%	N/A	2.68%			
TOTAL FUND	0.50%	2.77%	2.05%	9.91%	11.51%	6.68%	8.85%
Total Fund Return Objective	0.69%	1.54%	1.04%	4.97%	6.94%	6.07%	6.28%

Note related to the performance summary:

Effective October 1, 2016, the Board of Trustees changed the target asset allocation of the Fund. Historical returns for the new asset classes will be reported over time.